

RHODE ISLAND SCHOOL OF DESIGN

TRENDS AFFECTING HIGHER EDUCATION 2005



Overview 2005

The following report highlights significant trends affecting higher education, ranging from demographic shifts to changes in educational delivery systems and the financing of higher education. A sample of some of these recent trends include:

- Modest improvements in national and global economy
- An overseas war in a volatile region
- Escalating health care costs
- National and global environmental concerns
- “Greening” and sustainability greater concerns for campuses
- Push to catch up with deferred maintenance
- Increasing number of big-ticket capital campaigns
- Increased threats to campus technologies/networks
- Risk management a growing concern, legal staffs increase
- Demographic shifts affect marketing, enrollment, retention

A more detailed discussion of trends in higher education follows below.

Demographics

Changing demographics affect higher education in substantially, such as the shift in demographics among high school graduates and changing birthrate patterns. For the first time ever, the Hispanic/Latino population is the predominant minority group in the US (people of Hispanic origin currently make up the largest group of immigrants, accounting for 12.6 % of the US population) and the high birthrate among Hispanic immigrants also foretells the greatest percentage growth in overall US population for the next 50 years.

Other significant trends include:

- Immigration brings more than 1 million new residents annually
- Nearly one in 10 Americans are born elsewhere – 10% of America’s 281 million residents are immigrants, the largest number in US history

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- The ages of native born Americans are distributed more or less evenly, while the ages of immigrants are “young-to-prime-of-life”
- Overall, fertility rates for native born citizens have declined and the first half of the baby boom generation, those born from 1946 to 1953, did not reproduce themselves in population
- Numbers of high school graduates will continue to rise steadily thru 2008-09 and the major shift in the racial profile of these graduates will occur with greater numbers of Hispanic students and declining numbers of white students.
- Generation Y (born between 1979-1994) dominates college landscape; 73 million Gen Y’ers are the focus for both undergraduate and graduate education
- In 2003-04, more women earned a bachelor’s degree than men
- The blurring of racial identity will grow rapidly, with individuals identifying themselves in multiple categories of race and ethnicity
- Changes in family life promote changes in enrollments, with more part time students (primarily women) constituting the fastest growing population in higher education; juggling families and jobs continues to be a focus for adult learners

Labor and Economic Conditions

Changes in the US labor force continue to evolve. New technologies and the continuing shift from manufacturing to information as the labor core mean significant changes for job training and demand for certain types of educational programs:

- A slowly recovering economy is now on the path to revitalization but implies changes in the way colleges do business, not only to survive the low point in investment and endowment incomes, but implied changes in the types of skills and jobs required in a revised economy and labor force
- The fastest growing wage/salary sectors include 1) computer and data processing services, 2) residential care, and 3) cable and pay television services.
- The cost of war and the federal deficit both continue to climb and the impact on the US economy suggests that another recession might result, or that slow recovery will adversely affect funding for higher education

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TRENDS AFFECTING HIGHER EDUCATION 2005



Public Confidence and Accountability

Public expectations of higher education continue to be stringent and demanding. The question remains in many minds as to whether higher education is relevant to society's needs. Institutions will be pressed to emphasize their contributions for the broader social good:

- Questions about college graduation rates and faculty workloads have led to a demand for greater productivity and reporting on student outcomes assessment
- Pressures on financial aid will increase if access is to be maintained
- Accrediting bodies continue to emphasize the need for assessing institutional effectiveness in all areas of the university
- Standards, accountability, and high stakes testing – K-12 reform movement – will influence higher education as it proves measurable and positive
- Institutions are increasingly obsessed with rankings as a way to justify and validate their activities - the struggle remains for institutions to create or solidify their niche position in that market

Financial Aid and College Costs

The affordability gap continues to widen in higher education. Tuition increases outpaced growth in personal and family income during the past decade and at the same time median income for families most likely to have college-age children has remained relatively stagnant:

- 69% of all full time undergraduates now receive some form of aid
- Institutional grants account for nearly 20% of available student aid, which have doubled in real terms over the past few years
- 60% of all financial assistance to students comes in the form of loans
- An over-reliance on student loans becomes an overwhelming barrier to attending college, given the debt incurred at the end of the degree program
- Low income and first-time college-bound students, regardless of ethnicity, are more likely to attend community colleges or for-profit than four-year institutions
- Only eight percent of students in the lowest income group attend private four-year colleges

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TRENDS AFFECTING HIGHER EDUCATION 2005



College Finances

In a climate where tuition revenues remain the most predominant source of income, independent institutions are facing pressures to keep spending down and to moderate tuition increases. Despite these pressures, there are simultaneous pressures to improve programs and upgrade services.

- Revenue at private colleges comes from a variety of sources, with tuition and fees as the largest source (47%), federal government (13%), auxiliaries (12%), private gifts (10%), endowment (6%), state government (3%) and local government (1%) – the remaining 8% comes from other sources
- Colleges are increasingly unable to balance budgets by raising tuition and increasing enrollments
- Where tuition cannot be raised, fees are going up
- The cost of a college degree continues to climb and tuition increases show no sign of slowing up with up to 10 percent, on average, in public colleges and universities
- Colleges are regularly outsourcing auxiliary functions, sharing costs in consortia, reducing personnel costs, and eliminating programs outside the educational mission in order to focus institutional budgets on academic programs
- Aging facilities continue to strain capital and deferred maintenance budgets

Competition for Students and Resources

Competition for students and for state, local and corporate funding has increased significantly since the early 90s. Not since the GI bill has there been more national focus on the importance of postsecondary education for all Americans. Resources, outside tuition dollars, become increasingly important for institutional viability:

- Options for raising endowment dollars could begin to shrink as the global economy means funding higher education across the globe, not just in US
- Sources of voluntary support include several major sources: alumni (28% - a 60% increase over the prior year), other individuals (21% - a 53% increase), corporations (18% - a 55% increase), foundations (25% - a 113% increase), with the greatest increases realized at two-year private colleges, specialized institutions, and public liberal arts schools



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- Reauthorization of the Higher Education Act, loan consolidation, Pell grants, and the Perkins Act are all under the spotlight but not out of committee
- Higher education looks to an uncertain future for federal funding of students' most basic needs – even after the election it may not get the focused attention it needs to move its agenda forward
- Colleges will realize that developing and maintaining effective community and business partnerships are essential to flourishing

Teaching and Learning

The students of the future will expect different types of educational models and delivery systems. Predominant changes in new program directions for higher education include significant increases in the use of technology as an instructional tool, greater attention to learning outcomes, an emphasis on writing and analytical thinking skills, and linking college study with the employment world, with greater ties to internships, community service, and expanded opportunities for adult learners:

- Student needs and expectations are different now than a decade ago – and they expect extensive counseling services, remedial support, and career planning programs
- Summer schools provide year-round continuing education and more than 69% of all accredited, degree-granting institutions offer summer school courses
- 67% of design academics strongly agreed that sustainability is relevant to their design curricula, but only 14% said their institutions were going to teach it in the next year or so
- Green design may be widely known but not yet widely practiced
- Continuing education for alumni is a predominant trend; Estimates are that two-thirds of colleges and universities offer some type of continuing education programs specifically targeting alumni
- Faculty composition on campuses has changed drastically in the last decade and approximately 50% of current faculty are expected to retire within the next decade
- The need to recruit increasing numbers of faculty of color remains a major concern for most institutions

RHODE ISLAND SCHOOL OF DESIGN

TRENDS AFFECTING HIGHER EDUCATION 2005



Technology

- Technology infrastructure is increasing its flexibility and its integration into every part of higher education
- Technology takes on a new face in attracting students to enroll; every year students arrive with more technology, and the need to be connected, able to use all their electronic devices
- Student residences will continue to need major upgrades to meet student expectations
- The proliferation of new technologies and the demand for new educational delivery systems makes the need to upgrade campus equipment and facilities imperative
- Flexible education will continue to increase in importance, and choosing a campus increasingly relies on how technologically connected it is and how easily students can stay connected

HIGHER EDUCATION: Looking Ahead...

- Higher education providers will become even more numerous and more diverse, comprising three prevalent types of institutions – 1) traditional, 2) “cyber” universities, and 3) Combination-institutions (a mix of the traditional campus with on-line/distance instruction)
- New digital technologies have accelerated another change, that of the globalization of higher education
- Online learning and an increase in the quality of higher education is creating a fertile market for expanding options – are the traditional educational suppliers going to be able to hold their own?
- How can facilities accommodate the need for increased wireless access for a range of devices in learning settings? What different classroom features will be required to help faculty exploit the existing electronic infrastructure, which students carry with them, when they arrive on campus?
- Some observers predict the demise of the modern university, claiming that a small number of independent, entrepreneurial institutions will replace the current university system
- At many campuses, enrollment in non-campus programs may far exceed enrollment of on-campus programs
- Distance learning via technology will surely increase but if current trends continue electronic learning will not displace most campus-based activity

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TRENDS AFFECTING HIGHER EDUCATION 2005



Websites and Resources

Demographics, age distribution, ethnicity, educational attainment of adults to highest levels, etc: www.census.gov

Demographic analyses: www.ascd.org/readingroom/edlead/0012/hodgkinson.html

Projections of high school graduates: www.wiche.edu

Endowments: www.nacubo.org

Student enrollments and completion data: www.ed.gov

Trends in college pricing: www.collegeboard.com

Fundraising data: www.cae.org

Private colleges: www.naicu.edu

Faculty salaries: www.ed.gov

Trends overview: www.scup.org

New England trends: www.nebhe.org

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